

**Jordan, Sheron Y**

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**From:** Jerry Clancy [jclancy@lonestarcu.org]  
**Sent:** Wednesday, March 25, 2009 4:42 PM  
**To:** \_Regulatory Comments  
**Subject:** Jerry Clancy - Comments on Advanced Notice of Proposed Rulemaking for Part 704

Our credit union has supported the operations of Southwest Corporate Federal Credit Union. We use the many of their services, including check clearings, Check 21 deposit, wire transfer, document safekeeping, liquidity services, investments and a convenient line of credit as a liquidity source. The corporate network is a very vital function of a credit union's daily operation.

The original intent of the corporate network was to provide needed services to the natural-person credit union that they could not receive as cost-effectively and conveniently as they do today, and while the number of natural-person credit unions has continued to decline over the last few decades, the number of corporate credit unions have grown and began to compete with each other. Therefore, I would recommend that the field of membership issue be so addressed as to reduce the number of corporate credit unions based on geographical boundaries and their ability to efficiently conduct their business with their member-credit unions within those boundaries. The merger of the corporate credit unions should not be based on size, but rather their demonstrated abilities to manage their member's assets safely and soundly.

Why were the corporates allowed to invest in instruments that were so exotic and complex that they could not be adequately analyzed? Was the yield on these investments that much greater than a government guaranteed instrument to may it worth the risk? Based on what I have read about over the last few months, I would recommend greater restrictions on the corporates investment authority.

Without a doubt the corporate credit unions provide significant level of financial services to the credit union-world, and should remain under the guidance of it's member-elected Board of Directors.

Jerry Clancy  
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